

\$1.8 Billion GPB Capital Fraud Issues: Haselkorn & Thibaut, P.A.'s Roadmap to GPB Investment Loss Recovery

Recent GPB fraud convictions are a long time coming. Haselkorn & Thibaut fights for investors, offering hope for recovery of investment losses.

PALM BEACH , FL, USA, August 6, 2024 /EINPresswire.com/ -- Haselkorn & Thibaut, P.A.

(InvestmentFraudLawyers.com), a national investment fraud law firm, is advising GPB Capital retail investors to explore their options for recovering losses, and the recent news of recent criminal court convictions of GPB executives for fraud, helps shed further light on the past events.



On July 28, 2024, David Gentile, founder and former CEO of GPB Capital Holdings, and Jeffrey Schneider, owner of GPB's placement agent Ascendant Capital, were found guilty of securities fraud, wire fraud, and conspiracy charges following a six-week trial in federal court in Brooklyn, New York. These convictions appear to stem from what prosecutors in that case have described as a Ponzi-like scheme that defrauded thousands of investors out of some estimated \$1.8 billion (SEC Litigation Release No. 25909).

For more information or to schedule a free consultation, GPB investors can call 1-888-784-3315 or visit www.InvestmentFraudLawyers.com.

Was GPB Capital's Fraud Scheme Exposed?

It is believed that evidence presented at that criminal trial appeared to show that Gentile, Schneider, and other GPB executives used a complex web of holding companies and investment funds to deceive investors about the true financial status and performance of GPB's portfolio companies. According to recent [reports](#), it appears that prosecutors demonstrated that GPB routinely used money from new investors to pay distributions to existing investors, creating the

illusion of what was probably perceived as positive return or even profit when many of the underlying businesses were actually losing money.

The fraud allegedly began to unravel in 2018 when GPB failed to file required financial statements with the SEC. This led to a series of regulatory actions, civil lawsuits, and, ultimately, criminal charges against GPB's leadership. The recent criminal convictions represent a significant victory for prosecutors and may serve as further vindication for some of the thousands of investors who lost money investing in GPB funds.

Investor Losses and Recovery Options

GPB is believed to have raised approximately \$1.8 billion from over 17,000 retail investors nationwide, often targeting retirees and those saving for retirement, by offering an appealing sales pitch and initial distribution level. GPB's private placement offerings were sold to retail investors through a network of independent broker-dealers and financial advisors who in many cases received high commissions for recommending these risky, illiquid investments to their clients.

Many GPB investors have seen the distributions stop years ago and the value of their investments plummet, with some funds reflecting estimated losses of 50%-70% or more, but with no formal appraisal, no recent public audited financials, and no active secondary market, it is impossible to tell for sure. Adding insult to injury, investors have been unable to redeem their shares through GPB or otherwise, or receive current accurate financial information about their investments for years.

Matthew Thibaut, a partner at Haselkorn & Thibaut, P.A. law firm commented on the situation: "The criminal convictions of GPB's leadership appear to confirm what we have long suspected - that GPB Capital was built on misrepresentations and operated as a questionable scheme, and rather than conduct proper and adequate due diligence the firms and financial advisors recommending the investment simply stuck to a superficial sales pitch in many instances. While this recent outcome may be seen as an important step towards obtaining justice in some respects, it does little to help the individual investors recover their losses. That's why we are urging all GPB investors to explore their legal options for recovery immediately."

Options for GPB Investors

Haselkorn & Thibaut, P.A. has been at the forefront of representing GPB investors in claims against the broker-dealers and financial advisors who recommended these investments. The firm has already helped numerous investors recover significant portions of their losses through FINRA arbitration claims.

"Many investors don't realize that they may have potential claims against the financial professionals and firms who sold them GPB investments, even if those individuals were not

directly involved in any internal fraud within GPB," explained Attorney Thibaut, those broker-dealers and financial advisors had an obligation to conduct thorough due diligence on GPB and they should have dug below the surface and conducted adequate due diligence before recommending the investment to clients instead of basing those sales on a superficial sales pitch. In many cases, we believe some financial advisors and brokerage firms selling GPB investments negligently failed to do so, or otherwise in some cases ignored clear red flags related to GPB's business practices." Instead, some were content to simply make the recommendations and take their commissions.

Potential claims against broker-dealers and financial advisors may include:

- Failure to conduct adequate due diligence
- Misrepresentation of the risks associated with GPB investments
- Overconcentration of client portfolios in high-risk private placements
- Failure to disclose conflicts of interest related to the investments
- Failure to disclose the higher than average commission incentives
- Negligent supervision of financial advisors

Haselkorn & Thibaut, P.A. is encouraging all GPB retail investors to act quickly in exploring their legal options. "There are strict time limits for filing claims, and as more time passes, it may become more difficult to recover losses," warned Attorney Thibaut. "Additionally, in some instances, the firms and individuals selling these securities have limited resources with which to pay claims and there is a limited pool of funds available for recovery, so investors who act sooner may have an advantage."

Free Consultation for GPB Investors

Haselkorn & Thibaut, P.A. is committed to helping GPB investors and they are offering free, no-obligation case evaluation and consultations to all GPB Capital retail investors. During these case evaluation consultations, experienced securities attorneys will review a retail investors' specific situations, explain their legal rights, and help determine the best course of action for attempting to recover investment losses.

The law firm has also prepared a comprehensive "GPB Capital Investor's Guide" that provides detailed information about the ongoing investigation, legal and other proceedings, and potential recovery options that may be available to investors. This guide is available free of charge to all GPB investors who contact the law firm.

About Haselkorn & Thibaut, P.A.

Haselkorn & Thibaut, P.A. is a national law firm specializing in investment fraud and securities arbitration. With over 50 years of combined legal experience, the law firm's attorneys have successfully represented thousands of investors in claims against financial institutions and

recovered millions of dollars in damages.

The sole purpose of this press release is to investigate how various firms, including FINRA broker-dealer firms and Registered Investment Advisory firms, have researched, marketed, sold, and supervised GPB securities investment sales to investor clients and how they advised, recommended, and implemented such investment strategies that included these or similar investment products.

For more information, visit www.investmentfraudlawyers.com

The law firm typically handles matters on a contingency fee basis, meaning if there is no recovery, there are no fees. Haselkorn & Thibaut, P.A. has office locations in Florida, New York, North Carolina, Arizona, and Texas and represents retail investor clients nationwide.

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